

Schedule 2.

EXAMPLE: An Alternative Premium Schedule

Premium (in dollars)	Premium as a Percent of the National Avg.	Government Share	Enrollee Share	Government Share (in percent)	Enrollee Share (in percent)
4500	79%	4500	0	100%	0%
4600	81%	4600	0	100%	0%
4700	82%	4700	0	100%	0%
4800	84%	4800	0	100%	0%
4900	86%	4822	78	98%	2%
5000	88%	4844	156	97%	3%
5100	89%	4866	234	95%	5%
5200	91%	4888	312	94%	6%
5300	93%	4910	390	93%	7%
5400	95%	4932	468	91%	9%
5500	96%	4954	546	90%	10%
5600	98%	4976	624	89%	11%
5700	100%	4998	702	88%	12%
5800	102%	4998	802	86%	14%
5900	104%	4998	902	85%	15%
6000	105%	4998	1002	83%	17%
6100	107%	4998	1102	82%	18%
6200	109%	4998	1202	81%	19%
6300	111%	4998	1302	79%	21%
6400	112%	4998	1402	78%	22%
6500	114%	4998	1502	77%	23%

Notes:

This example does not necessarily reflect actual premiums or enrollee obligations. Under current law, Part B premiums will be about 12 percent of Medicare program costs when the Balanced Budget Act is fully implemented.

In this example, the National Weighted Average Premium is about \$5700

For premiums below 85% of national weighted average,
the government's share is 100% of the premium.

For premiums above 85% of national weighted average,
but below 100% of national weighted average,
the government's share increases by roughly \$1 for \$3 with the beneficiary share.

For premiums above 100% of national weighted average,
the government's share is fixed.